



U.S. Department of Justice

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EVENT: Sentencing

Defendant: Pasquale John DiPofi

**NEW BALTIMORE MAN SENTENCED TO 40 MONTHS
IN INTERNATIONAL THEFT OF FOREIGN FIRM'S IDENTITY**

A 36-year-old New Baltimore man was sentenced in federal court today to 40 months in prison, \$51,674 in restitution, a \$300 special assessment, and a three-year term of supervised release after being convicted of conspiracy, wire fraud, and income tax evasion, in connection with his scheme to defraud the government of Sierra Leone, Africa, and other victims of over \$23 million, that took place in 2001-2002, United States Attorney Stephen J. Murphy announced. Murphy was joined in the announcement by Andrew G. Arena, Special Agent in Charge, FBI, and Maurice Aouate, Special Agent in Charge, IRS Criminal Investigation Division.

Pasquale John DiPofi, 36, of New Baltimore, Michigan was sentenced in United States District Court before Judge Julian Abele Cook, Jr. Mr. DiPofi pleaded guilty to these charges before United States District Judge Victoria Roberts on October 23, 2006.

United States Attorney Murphy said, "It may have looked like a sharp scheme for this defendant, to assume another company's identity and try to collect \$23 million owed to the real company, but such 'corporate ID theft' is nothing but fraud and it leads directly to prison, as we saw in today's sentence."

Information presented to the court during these proceedings showed that Mr. DiPofi ran a private security business under the name of Executive Outcome, Inc., (EO), in Mt. Clemens, Michigan. In late 2001, EO contacted Audax Trading Limited, a British firm, with regard to a debt of approximately \$23 million owed by the Government of Sierra Leone, Africa. In fact, Executive Outcomes, South Africa, (EOSA) an unrelated company, had provided military equipment, military security, and training to the Government of Sierra Leone in 1995-1997, and EOSA was then making debt recovery efforts through the Sierra Leone legal system. Audax contacted the defendant's company, EO, by mistake, due to the similarity in the companies' names. Mr. DiPofi's company, EO, in fact had no connection with EOSA and had no claim to the debt owed by Sierra Leone to EOSA. Mr. DiPofi and his codefendant, Christopher Belan then hired Audax as their collection agent, even though they knew that their company EO did not perform any services for the Government of Sierra Leone, nor were they owed any monies for services rendered. DiPofi and Belan proceeded to create fraudulent documents which were provided to Audax and to the Government of Sierra Leone to support their claim that they were the true owners of the debt. In addition, during August and September 2002, Mr. DiPofi and Mr. Belan caused threatening communications to be sent to Michael Grunberg, in Paris, who was representing the legitimate claimants to the debt. The scheme was ultimately unsuccessful, because the victims of the scheme discovered the fraud before any payments were made to the defendant's company.

Judge Cook directed the defendant to report voluntarily to the institution designated by the Bureau of Prison to serve his sentence.